

# Form CT-8886

## Connecticut Listed Transaction Disclosure Statement

(New. 11/05)

You **must** use blue or black ink only to complete your return.

<b>Taxpayer</b> <b>(Please Type or Print)</b>	Name(s) as Shown on Your Return	Social Security Number or FEIN
	Name of Spouse (if applicable)	Spouse's Social Security Number
	Address (number and street), Apartment Number, PO Box	Daytime Telephone Number (      )
	City, Town, or Post Office	State      ZIP Code
		<b>DRS Use Only</b> —      — 20

**Important! Read the instructions on the back of this form.**

### Purpose

**Form CT-8886**, *Connecticut Listed Transaction Disclosure Statement*, allows taxpayers (individual or entity) to comply with Connecticut abusive tax shelter reporting requirements.

### Complete the following:

1. Provide a description of the **listed transaction(s)** or substantially similar transaction(s). See instructions on the back of this form.

Listed transaction(s): \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

2. Enter the taxable year(s) in which you participated in, or received a benefit from, a **listed transaction**. \_\_\_\_\_

3. Enter the number of federal forms attached to this form. See instructions on the back of this form. \_\_\_\_\_

Mail the completed **Form CT-8886**, federal Form(s) 8886 or Schedule(s) M-3, including all supplemental attachments to:

Department of Revenue Services  
Business and Employment Tax Audit Unit  
PO Box 2963  
Hartford CT 06104-2963

**Do not attach Form CT-8886 to a Connecticut tax return. This form must be mailed only to the address listed above.**

**Declaration:** I declare under penalty of law that I have examined this return (including any accompanying schedules and statements) and, to the best of my knowledge and belief, it is true, complete, and correct. I understand the penalty for willfully delivering a false return or document to Department of Revenue Services (DRS) is a fine of not more than \$5,000, or imprisonment for not more than five years, or both. The declaration of a paid preparer other than the taxpayer is based on all information of which the preparer has any knowledge.

<b>Sign Here</b>  Keep a copy for your records.	Signature (Individual, corporate officer, general partner, member, or fiduciary)	Date	Telephone (      )
	Spouse's Signature (if applicable)	Date	
	Paid Preparer's Signature	Date	Telephone (      )
	Firm's Name, Address, and ZIP Code		Preparer's SSN or PTIN  FEIN

# Form CT-8886 Instructions

## General Information

The Connecticut General Assembly recently enacted legislation mandating specific disclosure requirements for taxpayers participating in any abusive tax shelter designated by the Internal Revenue Service (IRS) as a **listed transaction**. For audits of income tax returns or corporation business tax returns beginning on or after January 1, 2006, a penalty of 75% of the amount of the deficiency may be imposed when it appears that any part of the deficiency is due to a failure to disclose a **listed transaction**. Also, promoters of abusive tax shelters may be subject to a penalty of 50% of the gross income received from the marketing, soliciting, sale, or promotion of abusive tax shelters.

The legislation also increases the time limit for conducting audits of abusive transactions from three years to six years after the return was filed.

## What is a listed transaction?

A **listed transaction** is a reportable transaction that is the same as or substantially similar to a transaction the IRS has determined to be a tax avoidance transaction and identified by notice, regulation, or other form of published guidance as a **listed transaction**. This is true whether or not the IRS has identified the transaction as a **listed transaction** at the time the taxpayer entered into the transaction.

## Who Must File Form CT-8886

Every taxpayer, who is or was also required to file a disclosure statement related to a listed transaction with the IRS (according to Internal Revenue Code (IRC) §6011), must file **Form CT-8886, Connecticut Listed Transaction Disclosure Statement**, with the Department's Business and Employment Tax Audit Unit.

Form CT-8886 is used to disclose participation on original and amended returns. The form must be filed for every return that reflects either a taxpayer's participation in or benefit received from a listed transaction. For income tax purposes, if a listed transaction results in a loss which is carried back to a prior year, the form must be filed for both the return on which the loss is generated and the return(s) on which the loss is utilized.

Each taxpayer must make its own disclosure using Form CT-8886. However, a composite agent who is required to file a composite return or a group agent who is authorized to file a group return on behalf of nonresident members may file this form on behalf of its members.

Taxpayers that may have to file this form include:

- Corporations, including limited liability companies (LLCs) treated as a corporation;
- Individuals, including sole proprietors and single member LLCs;
- Partnerships, including LLCs that are treated as a partnership for federal income tax purposes;
- Estates and trusts;
- Partners in a partnership;
- Shareholders of an S corporation; **and**
- Beneficiaries of an estate or trust.

## When to File Form CT-8886

This disclosure statement must be filed on or before the due date (or extended due date) of the Connecticut income tax or the Connecticut business tax return for each taxable year for which a taxpayer participates in a listed transaction. For returns filed under Chapter 229 of the Connecticut General Statutes (individuals, partnerships, LLCs, S corporations, trust and estates), the form is due on or before the fifteenth day of the fourth month following the

close of the taxpayer's taxable year. For returns filed under Chapter 208 of the Connecticut General Statutes (C corporations), the form is due on or before the first day of the month next succeeding the due date of the company's corresponding federal income tax return for the income year or, in the case of any company that is not required to file a federal income tax return for the income year, on or before the first day of the fourth month next succeeding the end of the income year.

## Attachments required

You must attach a complete copy of each federal Form 8886, Reportable Transaction Disclosure Statement, including all supplemental statements. If you are required to file IRS Schedule M-3, also attach this schedule.

Mail the completed form and all attachments to:

Department of Revenue Services  
Business and Employment Tax Audit Unit  
PO Box 2963  
Hartford CT 06104-2963

**Do not attach Form CT-8886 to a Connecticut tax return. The form must be mailed to the address specified above.**

## Specific Line Instructions

**Line 1** Provide a description of the listed transaction and identify the IRS notice, revenue ruling, or regulation that identified the listed transaction. This category includes transactions that are the same as or substantially similar to one of the types of transactions that the IRS has determined to be a tax avoidance transaction. These transactions are identified by notice, regulation, or other form of published guidance as a listed transaction. For updates to this list, go to the IRS web page at [www.irs.gov/businesses/corporations](http://www.irs.gov/businesses/corporations) and click on Abusive Tax Shelters and Transactions. The listed transactions will also be periodically updated in future issues of the IRS Internal Revenue Bulletin.

**Line 2** Enter the taxable year(s) in which you participated in, or received a benefit from a **listed transaction**. This disclosure **must** be made for each taxable year for which a taxpayer participates in a listed transaction.

**Line 3** Enter the number of IRS Form(s) 8886 and Schedule(s) M-3 attached to this form. The taxpayer is required to attach all federal IRS Form(s) 8886 and Schedule(s) M-3 related to the listed transaction.

## Signature

You must sign this form. If you are filing Form CT-8886 jointly with your spouse, he or she must also sign. Corporations and pass-through entities must have a duly authorized officer, or general partner sign. Anyone who has a signed **Form LGL-001, Power of Attorney**, may sign on your behalf.

## Paid Preparer's Signature

Anyone you pay to prepare your return **must** sign and date it. Paid preparers must also enter their Social Security Number (SSN) or Personal Tax Identification Number (PTIN), their firm's Federal Employer Identification Number (FEIN), and the firm's address and telephone number in the spaces provided.

## For Further Information

Visit the DRS Web site at [www.ct.gov/DRS](http://www.ct.gov/DRS) or for personal telephone assistance call the Business and Employment Tax Audit Unit at 860-541-4560, Monday through Friday, 8:30 a.m. to 4:30 p.m.